

Office of the State Auditor
Division of State Audit

Williston State College
Williston, North Dakota

Audit Report for the
Biennium Ended June 30, 2007
Client Code 22900

Robert R. Peterson
State Auditor



LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE MEMBERS

Representative Bob Skarphol – Chairman
Senator Randel Christmann – Vice Chairman

Representatives

Ole Aarsvold
Larry Bellew
Merle Boucher
Kari L. Conrad
Jeff Delzer
Bette Grande
Patrick R. Hatlestad
RaeAnn G. Kelsch
Kenton Onstad
Louis Pinkerton
Blair Thoreson
Francis J. Wald

Senators

Dwight Cook
Jerry Klein
Judy Lee
Harvey D. Tallackson

You may obtain reports by contacting the
Division of State Audit
at the following address:

Office of the State Auditor
600 East Boulevard Avenue – Department 117
Bismarck, ND 58505-0060
(701) 328-2241

Reports are also available on the internet at:
www.nd.gov/auditor/

Contents

<i>Transmittal Letter</i>	<i>1</i>
<i>Executive Summary</i>	<i>2</i>
<i>Introduction</i>	<i>2</i>
<i>Responses to LAFRC Audit Questions</i>	<i>2</i>
<i>LAFRC Audit Communications</i>	<i>3</i>
<i>Background Information</i>	<i>5</i>
<i>Audit Objectives, Scope, And Methodology</i>	<i>6</i>
<i>Discussion And Analysis</i>	<i>7</i>
<i>Financial Summary</i>	<i>7</i>
<i>Analysis of Significant Variances Between Final Budgeted and Actual Expenses</i>	<i>7</i>
<i>Financial Statements</i>	<i>8</i>
<i>Statement of Net Assets</i>	<i>8</i>
<i>Statement of Revenues and Expenditures</i>	<i>9</i>
<i>Statement of Cash Flows</i>	<i>10</i>
<i>Statement of Appropriations</i>	<i>12</i>
<i>Internal Control</i>	<i>13</i>
<i>Compliance With Legislative Intent</i>	<i>14</i>
<i>Management Letter (Informal Recommendations)</i>	<i>15</i>

Transmittal Letter

January 10, 2008

The Honorable John Hoeven, Governor
Members of the North Dakota Legislative Assembly
Joseph McCann, President, Williston State College

We are pleased to submit this audit of Williston State College for the biennium ended June 30, 2007. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

In determining the contents of the audits of state agencies, the primary consideration was to determine how we could best serve the citizens of the state of North Dakota. Naturally we determined financial accountability should play an important part of these audits. Additionally, operational accountability is addressed whenever possible to increase efficiency and effectiveness of state government.

The in-charge auditor for this audit was Mary Feltman, CPA. John Grettum, CPA was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 239-7289. We wish to express our appreciation to President McCann and his staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

Robert R. Peterson
State Auditor

Executive Summary

INTRODUCTION

In 1931, legislative action authorized the establishment of junior colleges in North Dakota cities with a population of more than 10,000. The Legislative Assembly amended the law in 1941 to allow junior colleges in cities with a population of more than 5,000. An extension of junior college legislation came in 1961 with the approval of the North Dakota State Board of Higher Education to establish an off-campus education center in conjunction with a state supported college or university. Williston State College resulted from this legislation.

The University of North Dakota in Grand Forks began offering extension classes in Williston in the fall of 1957. In 1961 Williston State College, then known as the University of North Dakota-Williston Center, founded its own resident campus, faculty, and curricula through a contractual arrangement between the University of North Dakota in Grand Forks and the Williston School District #1. This contractual arrangement continued until the college became the responsibility of the North Dakota State Board of Higher Education on July 1, 1984, at which time the college became known as the University of North Dakota-Williston.

Legislative action in 1999 expanded the college's mission to include workforce training, at which time it became an autonomous campus and its name was changed to Williston State College.

RESPONSES TO LAFRC AUDIT QUESTIONS

The Legislative Audit and Fiscal Review Committee (LAFRC) requests that certain items be addressed by auditors performing audits of state agencies.

1. What type of opinion was issued on the financial statements?

Unqualified.

2. Was there compliance with statutes, laws, rules, and regulations under which the agency was created and is functioning?

Yes.

3. Was internal control adequate and functioning effectively?

Other than our finding addressing "Accounts Receivable Reconciliation" (see page 13), we determined internal control was adequate.

4. Were there any indications of lack of efficiency in financial operations and management of the agency?

No.

5. *Has action been taken on findings and recommendations included in prior audit reports?*

There were no findings or recommendations included in the prior audit report.

6. *Was a management letter issued? If so, provide a summary below, including any recommendations and the management responses.*

Yes, a management letter was issued and is included on page 15 of this report, along with management's response.

LAFRC AUDIT COMMUNICATIONS

1. *Identify any significant changes in accounting policies, any management conflicts of interest, any contingent liabilities, or any significant unusual transactions.*

There were no significant changes in accounting policies, no management conflicts of interest were noted, no contingent liabilities were identified or significant unusual transactions.

2. *Identify any significant accounting estimates, the process used by management to formulate the accounting estimates, and the basis for the auditor's conclusions regarding the reasonableness of those estimates.*

The most significant accounting estimates used by Williston State College include: useful lives of capital assets and allowance for uncollectible receivables. Estimated useful lives are used to compute depreciation on capital assets. Management's estimate of the allowance for uncollectible receivables is based on aging categories and past history. We evaluated the key factors and assumptions used to develop the allowances in determining that it is reasonable in relation to the financial statements taken as a whole.

3. *Identify any significant audit adjustments.*

There were no significant adjustments for the audit period.

4. *Identify any disagreements with management, whether or not resolved to the auditor's satisfaction relating to a financial accounting, reporting, or auditing matter that could be significant to the financial statements.*

None.

5. *Identify any serious difficulties encountered in performing the audit.*

None.

6. *Identify any major issues discussed with management prior to retention.*

This is not applicable for audits conducted by the Office of the State Auditor.

7. *Identify any management consultations with other accountants about auditing and accounting matters.*

None.

8. *Identify any high-risk information technology systems critical to operations based on the auditor's overall assessment of the importance of the system to the agency and its mission, or whether any exceptions identified in the six audit report questions to be addressed by the auditors are directly related to the operations of an information technology system.*

ConnectND Finance, Human Resource Management System (HRMS) and Student Administration are high-risk information technology systems critical to Williston State College.

Background Information

Williston State College is an Associate Degree granting college of the North Dakota University System. The central purpose of Williston State College is to provide open access to higher education opportunities in academic transfer, occupational training, and community service.

Williston State College can enable you to:

- Prepare to transfer to a four year college or university.
- Prepare for a career in agriculture, computer programming, computer networking, network router technician, licensed practical nurse, physical therapist assistant, massage therapist, medical transcription, diesel technology, automotive technology.
- Complete instructional programs made available through the interactive television network (IVN) which originate from other colleges.
- Get training as arranged by your employer, which is customized to the needs of your employer's business.
- Participate in intercollegiate athletics, student activities and student organizations.
- Earn your Associate of Arts (AA), Associate of Science (AS) or Associate of Applied Science (AAS) degree or earn a certificate.

The college regularly reports to the State Board of Higher Education.

More information can be obtained from the institution's home page at: <http://www.wsc.nodak.edu/>.

Audit Objectives, Scope, And Methodology

Audit Objectives

The objectives of this audit of Williston State College for the biennium ended June 30, 2007 were to provide reliable, audited financial statements and to answer the following questions:

1. What are the most important areas of Williston State College's operations and is internal control adequate in these areas?
2. What are the significant and high-risk areas of legislative intent applicable to Williston State College and are they in compliance with these laws?
3. Are there areas of Williston State College's operations where we can help to improve efficiency or effectiveness?

Audit Scope

This audit of Williston State College for the biennium ended June 30, 2007 was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. To meet the objectives outlined above, we:

Audit Methodology

- Prepared condensed financial statements from the data used in the North Dakota University System's financial statement audits and developed a discussion and analysis of the financial statements.
- Tested and analyzed samples of expenses, direct general ledger transactions (ONL's), and receipts.
- Performed detailed analytical procedures related to statement of net asset items, revenue and expenses, and statement of cash flow items.
- Reviewed prior year audit workpapers.
- Interviewed appropriate agency personnel.
- Reviewed Williston State College written plans and applicable manuals.
- Observed Williston State College's processes and procedures.
- Reviewed applicable sections in the North Dakota Century Code (NDCC), North Dakota Constitution, and appropriate session laws.
- Reviewed applicable meeting minutes.

Discussion And Analysis

The accompanying financial statements do not have the disclosures required by generally accepted accounting principles (GAAP) and have been prepared in a condensed form to present Williston State College's financial position and the results of operations in a manner similar to that used for financial reporting in the private sector. Accordingly, the accompanying financial statements are not intended to be presented in accordance with generally accepted accounting principles.

For the biennium ended June 30, 2007, operations of Williston State College were primarily supported by appropriations from the state's general fund (32%); student tuition and fees (17%); federal grants and contracts (15%); and auxiliary enterprises (14%). This is supplemented by state and local grants and contracts, sales and services, gifts, state appropriations for capital assets, and capital grants and gifts.

FINANCIAL SUMMARY

Operating revenues consisted primarily of student tuition and fees, as well as federal grants and contracts, auxiliary enterprises, and sales and services of educational departments. Nonoperating revenues during the audited period included state appropriations, gifts, and capital grants and gifts. These revenues remained fairly consistent between fiscal years 2007 and 2006. Total revenues were \$8,993,315 for the year ended June 30, 2007 as compared to \$9,048,998 for the year ended June 30, 2006.

Total expenses for Williston State College were \$8,528,383 for the year ended June 30, 2007 as compared to \$8,510,075 for the prior year. No significant changes were noted.

ANALYSIS OF SIGNIFICANT VARIANCES BETWEEN FINAL BUDGETED AND ACTUAL EXPENSES

Williston State College had no significant variances for the general fund expenses as reflected on the statement of appropriations.

Financial Statements

STATEMENT OF NET ASSETS

	June 30, 2007	June 30, 2006
ASSETS		
Cash & cash equivalents	\$ 1,165,564	\$ 738,395
Investments	52,200	52,200
Accounts receivable, net	151,349	91,369
Receivable from component unit	360,000	
Grants & contracts receivables, net	137,213	131,482
Inventories	126,027	164,897
Notes receivable, net	272,657	267,598
Other assets	44,969	179,656
Capital assets, net	10,708,262	11,097,691
Total assets	\$ 13,018,241	\$ 12,723,288
LIABILITIES		
Accounts payable	\$ 72,965	\$ 129,754
Accrued payroll	325,407	199,091
Deferred revenue	67,391	69,661
Deposits	85,933	86,980
Other liabilities	57,849	67,530
Due to others	901,108	1,127,616
Total liabilities	\$ 1,510,653	\$ 1,680,632
NET ASSETS		
Invested in capital assets, net of related debt	\$ 9,920,569	\$ 10,107,961
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	58,190	55,756
Expendable:		
Scholarships and fellowships	11,249	29,340
Institutional	415,297	403,256
Loans	313,478	312,794
Capital projects		8,394
Debt service	6,606	
Unrestricted	782,199	125,155
Total net assets	\$ 11,507,588	\$ 11,042,656

STATEMENT OF REVENUES AND EXPENDITURES

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
OPERATING REVENUES		
Student tuition and fees	\$ 1,584,202	\$ 1,485,235
Federal grants and contracts	1,269,202	1,409,635
State and local grants and contracts	198,880	575,588
Nongovernmental grants and contracts	4,093	53,768
Sales and services of educational departments	702,033	499,739
Auxiliary enterprises	1,335,766	1,225,942
Other	5,251	5,554
Total operating revenues	<u>\$ 5,099,427</u>	<u>\$ 5,255,461</u>
OPERATING EXPENSES		
Salaries and wages	\$ 4,822,003	\$ 4,589,493
Operating expenses	1,844,867	2,067,401
Data processing	88,382	58,329
Depreciation	496,696	501,632
Scholarships and fellowships	614,689	629,557
Cost of sales and services	643,964	638,863
Total operating expenses	<u>\$ 8,510,601</u>	<u>\$ 8,485,275</u>
Operating loss	<u>\$ (3,411,174)</u>	<u>\$ (3,229,814)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	\$ 2,879,075	\$ 2,876,499
Gifts	485,935	631,465
Investments income	15,888	9,388
Interest on capital asset-related debt	(8,344)	(10,284)
Loss on capital assets	(9,438)	(13,144)
Other nonoperating expenses	91	(1,372)
Net nonoperating revenues	<u>\$ 3,363,207</u>	<u>\$ 3,492,552</u>
Income (loss) before capital grants, gifts and transfers	<u>\$ (47,967)</u>	<u>\$ 262,738</u>
State appropriations-capital assets	\$ 31,795	\$ 136,185
Capital grants and gifts	481,104	140,000
Total other revenue	<u>\$ 512,899</u>	<u>\$ 276,185</u>
Increase in net assets	<u>\$ 464,932</u>	<u>\$ 538,923</u>
NET ASSETS		
Net Assets-beginning of the year	11,042,656	10,503,733
Net Assets-end of the year	<u>\$ 11,507,588</u>	<u>\$ 11,042,656</u>

STATEMENT OF CASH FLOWS

	June 30, 2007	June 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees	\$ 1,597,439	\$ 1,524,011
Grants and contracts	1,465,948	2,162,524
Payments to suppliers	(2,629,420)	(2,687,000)
Payments to employees	(4,722,419)	(4,626,223)
Payments for scholarships and fellowships	(614,689)	(629,557)
Loans issued to students	(78,012)	(71,445)
Collection of loans to students	60,998	66,228
Auxiliary enterprise charges	1,345,110	1,230,779
Sales and service of educational departments	662,531	523,938
Cash paid on deposits	(414)	(1,537)
Other receipts (payments)	139,638	(102,235)
Net cash used by operating activities	\$ (2,773,290)	\$ (2,610,517)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	\$ 2,879,075	\$ 2,886,499
Grants and gifts received for other than capital purposes	485,935	631,465
Agency fund cash increase	4,014	7,093
Other nonoperating (expenses) revenues	(9,589)	66,160
Net cash flows provided by noncapital financing activities	\$ 3,359,435	\$ 3,591,217
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of debt		
Capital appropriations	\$ 31,795	\$ 136,185
Capital grants and gifts received	121,104	125,000
Purchases of capital assets	(116,705)	(268,755)
Principal paid on capital debt and lease	(202,034)	(227,920)
Interest paid on capital debt and lease	(8,493)	(10,614)
Net cash used by capital and related financing activities	\$ (174,333)	\$ (246,104)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments		\$ 7,248
Interest on investments	\$ 15,357	9,049
Net cash provided by investing activities	15,357	16,297
Net increase in cash	427,169	750,893
CASH - BEGINNING OF YEAR	738,395	(12,498)
CASH - END OF YEAR	\$ 1,165,564	\$ 738,395

(Continued on next page)

(Continued from previous page)

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Operating loss	\$ (3,411,174)	\$ (3,229,814)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation expense	496,696	501,632
Change in assets and liabilities		
Accounts receivable adjusted for interest receivable	(65,617)	115,620
Grant & contract receivables	(6,227)	123,533
Inventories	38,870	(26,588)
Notes receivable	(5,059)	27,515
Other assets	134,387	(107,789)
Accounts payable and accrued liabilities adjusted for interest payable	(52,066)	9,871
Accrued payroll	124,058	(61,737)
Compensated absences	(24,474)	25,007
Deferred revenue	(2,270)	13,770
Deposits	(414)	(1,537)
Net cash used by operating activities	<u>\$ (2,773,290)</u>	<u>\$ (2,610,517)</u>

SUPPLEMENTAL DISCLOSURE ON NONCASH TRANSACTIONS

Assets acquired through capital leases		\$ 50,000
Expenses paid by capital lease/special assessments		
Gifts of capital assets		15,000
Total non-cash transactions	<u>\$ -</u>	<u>\$ 65,000</u>

STATEMENT OF APPROPRIATIONS

For The Biennium Ended June 30, 2007

Expenses by line item	Original Appropriation	Adjustments	Final Appropriation	Expenses	Unexpended Appropriation
Operating expenses	\$ 5,752,997	\$ 2,577	\$ 5,755,574	\$ 5,755,574	
Capital assets	8,136,475		8,136,475	167,980	\$ 7,968,495
Biennium carryover		10,000	10,000	10,000	
Totals	\$ 13,889,472	\$ 12,577	\$ 13,902,049	\$ 5,933,554	\$ 7,968,495

Expenses by source					
General fund	\$ 5,929,472	\$ 12,577	\$ 5,942,049	\$ 5,933,554	\$ 8,495
Special fund	7,960,000		7,960,000		7,960,000
Totals	\$ 13,889,472	\$ 12,577	\$ 13,902,049	\$ 5,933,554	\$ 7,968,495

Appropriation Adjustments:

Operating expenses

The \$2,577 adjustment is a transfer from North Dakota University System contingency fund for disabled student services.

Biennium carryover

The \$10,000 adjustment was prior biennium unspent general fund.

Internal Control

In our audit for the biennium ended June 30, 2007, we identified the following areas of Williston State College's internal control as being the most important:

Internal Controls Subjected To Testing

- Controls surrounding the processing of revenues.
- Controls surrounding the processing of expenses.
- Controls effecting the safeguarding of assets.
- Controls relating to compliance with laws and legislative intent.
- Controls surrounding the ConnectND (PeopleSoft) system.

We gained an understanding of internal control surrounding these areas and concluded as to the adequacy of their design. We also tested the operating effectiveness of those controls we considered significant. We concluded internal control was adequate. Our consideration of internal control would not necessarily disclose all matters that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements that would be material may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control that we have reported to management of Williston State College in a management letter on page 15 of this report.

Compliance With Legislative Intent

In our audit for the biennium ended June 30, 2007, we identified and tested Williston State College's compliance with legislative intent for the following areas that we determined to be significant and of higher risk of noncompliance:

Legislative Intent Subjected To Testing

- Proper use/approval of clearing account and petty cash/till funds (NDCC 54-06-08.1 and Attorney General's opinion dated September 11, 1987).
- BND used as credit card processing depository (NDCC 54-06-08.2).
- Deposit and expenses of gifts to a state institution (Article IX, Section 1 of the North Dakota Constitution; Attorney General's opinion dated September 13, 1963; NDCC 1-08-02, 1-08-04, 15-10-12, 15-67-01, 15-67-04, 15-67-05, and 15-67-07).
- Fixed asset requirements including record keeping, lease and financing arrangements in budget requests, and lease analysis requirements (NDCC 54-44.1-06 part 8, 54-27-21 and 54-27-21.1).
- Inventory records (NDCC 44-04-07).
- Expenses including proper voucher approvals (NDCC 44-08-05.1 and Article X, Section 12, subpart 2 of North Dakota Constitution) and being within budgeted amounts (NDCC 54-44.1-09, Article X, Section 12 of North Dakota Constitution and Attorney General's opinion dated January 6, 1977).
- Travel-related expenses are made in accordance with state statute (NDCC 44-08-04, 44-08-04.1-.5, and 48-08-04.3 and 54-06-09 parts 1a, 1b, 3, 4, 5 and 6).
- Purchasing including bidding (NDCC 54-44.4-01, 54-44.4-05, 54-44.4-06, 54-44.7-02, 54-44.4-02, 44-08-01 and 48-01.1-03).
- Conflict of Interest (NDCC 12.1-13-03 and 48-02-12).
- Carryover of unexpended appropriations (NDCC 54-44.1-11).
- Adequate blanket bond coverage (NDCC 26.1-21-08).
- Unclaimed property laws (NDCC 47-30.1-02.1, 47-30.1-03.1 and 47-30.1-05).
- Nepotism (NDCC 44-04-09).
- Bond Revenues and Reserves (NDCC 15-55-03 and 15-55-06).
- Misapplication of entrusted property (NDCC 12.1-23-07).

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. Thus, we concluded there was compliance with the legislative intent identified above. We noted an immaterial instance of noncompliance that we have reported to management of Williston State College in the management letter on page 15 of this report.

Management Letter (Informal Recommendations)

January 10, 2008

Ms. Brenda Wigness
Director for Administrative Affairs
Williston State College
1410 University Avenue
Williston, North Dakota 58801

Dear Ms. Wigness:

We have performed an audit of Williston State College for the biennium ended June 30, 2007, and have issued a report thereon. As part of our audit, we gained an understanding of Williston State College's internal control structure to the extent we considered necessary to achieve our audit objectives. We also performed tests of compliance as described in the same report.

Our audit procedures are designed primarily to enable us to report on our objectives including those related to internal control and compliance with laws and regulations and may not bring to light all weaknesses in systems and procedures or noncompliance with laws and regulations which may exist. We aim, however, to use our knowledge of your organization gained during our work to make comments and suggestions which we hope will be useful to you.

In connection with the audit, gaining an understanding of the internal control structure, and tests of compliance with laws and regulations referred to above, we noted certain conditions we did not consider reportable within the context of your audit report. These conditions relate to areas of general business practice or control issues that have no significant bearing on the administration of federal funds. We do, however, want to present our recommendations to you for your consideration and whatever follow-up action you consider appropriate. During the next audit we will determine if these recommendations have been implemented, and if not, we will reconsider their status as non-reportable conditions.

The following present our informal recommendations.

TRAVEL EXPENSES

Informal Recommendation 07-1:

Williston State College charges travel expense for the team coaches to the student travel account 521105.

We recommend that only student travel be charged to account 521105 and employee travel, including coaches, be charged to the respective employee travel accounts.

Williston State College Response:

WSC will separate employee travel from the team travel and charge the employee travel to the employee travel accounts.

PUBLIC PROPERTY

Informal Recommendation 07-2:

WSC has adopted SBHE policies and they do not contain a policy prohibiting the disposal, use, or transfer of (any) public property in an unauthorized manner. Although SBHE policy 611.5 is regarding the disposal or transfer of real property and the use of state vehicles, there is no policy that requires written approval and acknowledgement of responsibilities before any equipment can leave the campus.

We recommend that WSC create and implement policies and procedures regarding the proper disposal, use, and transfer of public property; as well as, create and implement policies and procedures requiring written approval and acknowledgment of responsibilities before any equipment can leave the campus.

Williston State College Response:

WSC uses a Disposition or Transfer of Equipment form for the disposal of property and transfer of property from one department to another. The form requires dual signatures of the department head disposing of the property and the VP of Business Affairs for disposition of property. Property transfers require signatures of the transferring department head and the receiving department head. All inventories are verified annually and department heads sign off in verification of the existence of property that is assigned to their departments.

WSC will update the faculty and staff handbooks to reflect the existing requirement to complete the Disposition or Transfer of Equipment form and add wording that employees are prohibited from disposing, using, or transferring of (any) public property in an unauthorized manner.

BUDGET VERSUS ACTUAL EXPENSES

Informal Recommendation 07-3:

In our comparison of budgeted to actual expenditures of appropriated funds, we found that salaries and wages expenditures exceeded the adjusted budget amount by \$308,425 while total expenditures exceeded the adjusted budget amount by \$263,973. The authority is granted to the Institution President to make necessary adjustments to the budget, but no such adjustment was made in this case.

We recommend that WSC implement procedures to review budgeted versus actual expenditures at least once every quarter, and that WSC investigate any significant variance between budgeted and actual amounts. Further we recommend that WSC adjust the budget when necessary.

Williston State College Response:

WSC will review budget versus actual expenditures at least quarterly and will adjust the budget when necessary.

I encourage you to call me at (701) 239-7289 if you have any questions about the implementation of recommendations included in your audit report or this letter.

Sincerely,

John Grettum, CPA
Audit Manager